

## REMARKS

Applicants request favorable reconsideration and withdrawal of the rejections set forth in the above-noted Office Action in view of the foregoing amendments and following remarks.

Claims 1-21 remain pending, with claims 1 and 12 being independent. Claims 1, 2, 6, 8-14, and 19-21 have been amended. Support for the amendments can be found throughout the originally-filed disclosure. Accordingly, Applicants submit that the amendments do not include new matter.

### Section 101 Rejection

Claims 1 and 12 are rejected in the Office Action under 35 U.S.C. § 101 as being drawn to non-statutory subject matter. Specifically, the Office Action asserts that the recited method may be only a mental process, which is not patentable.

In response, Applicants have amended claims 1 and 12 to now recite that both a database is maintained in a computer, and that purchase data is received at the computer. As such, Applicants submit that amended claims 1 and 12 are sufficiently tied to a computer so as to meet the “machine-or-transformation” test for statutory subject matter under Section 101. See In re Bilski, \_\_ F.3d \_\_ (Fed. Cir. 2008). Thus, Applicants submit that the Section 101 rejection should be withdrawn.

### Section 102 and 103 Rejections

Claims 1-19 and 21 are rejected in the Office Action under 35 U.S.C. § 102(b) as being anticipated by Scroggie et al. (U.S. Patent No. 5,970,469). Claim 20 is rejected under 35 U.S.C. § 103(a) as being unpatentable over Scroggie et al. in view of Official Notice taken in the Office Action.

Applicants respectfully traverse the rejections, and submit that the claimed invention is patentable over Scroggie et al. and the Official Notice for at least the following reasons.

The Office Action cites Scroggie et al. as disclosing a method for facilitating earning of loyalty points, wherein the loyalty points are associated with a geographic area.

Applicants respectfully traverse the Office Action's factual finding that Scroggie et al. discloses a method involving the use of loyalty points. Initially, Applicants note that Scroggie et al. does not expressly disclose "loyalty points," "reward points," "a loyalty account" or any similar terminology. That is, at no point does the reference use these terms when describing the features of the disclosed method.

In Applicants' view, Scroggie et al.'s method is directed to "incentives." See, e.g., col. 1, lines 38-43. As examples of the incentives, Scroggie et al. describes such things as coupons, offers for specific products, advisory messages for specific discounts, and tokens for specific discounts. See, e.g., col. 1, lines 10-25; col. 2, lines 54-65; col. 3, line 55 through col. 4, line 8; col. 11, line 57 through col. 12, line 6. In particular, Scroggie et al. includes an extensive discussion of the incentives being in the form of coupons. See, col. 10, line 5 through col. 11, line 56.

Applicants submit that the "incentives" disclosed by Scroggie et al. cannot be understood to anticipate even a reasonably broad interpretation of Applicants' claimed "geographic area loyalty points." The incentives of Scroggie et al., such as coupons, offers for specific products, and advisory messages, do not have the characteristics of the geographic loyalty points defined in the present application. For example, the incentives disclosed by Scroggie et al. are all described as being tied to a specific product or service, e.g., an incentive is directed to a specific

brand of toothpaste. Col. 4, lines 45-47. On the other hand, the geographic loyalty points of the present application need not be tied to a specific product or service.

Moreover, as the incentives of Scroggie et al. are disclosed in the context of specific products or services, the incentives cannot be understood to be tied to the other features recited in the claims of the present application. For example, the coupons disclosed by Scroggie et al. cannot be updated in an account like the geographic loyalty points recited in the claims of the present application. For example, a coupon of Scroggie et al. cannot be added to another coupon existing in an account, and thus cannot be said to anticipate “adding [a] determined amount of geographic area loyalty points to a preexisting amount of geographic loyalty points in [a] loyalty account,” as recited in amended claim 1.

Applicants further submit that as Scroggie et al. does not disclose or suggest loyalty points, the reference cannot be understood to disclose or suggest “a database in a computer for storing geographic area loyalty points in a loyalty account corresponding to a participant,” as recited in independent claims 1 and 12. In this regard, the Office Action refers to Figure 15 of Scroggie et al. as anticipating the claimed database. The two databases 502 and 506 in Figure 15 of Scroggie et al., however, are not disclosed as storing the incentives disclosed in the reference. The database 502 is disclosed as including customer information purchase history, while the database 506 is disclosed as including customer information such as e-mail addresses. Col. 12, line 53 through col. 13, line 9. There is no indication that the incentives are stored in accounts for each customer in either of the database. In fact, given that the incentives are things such as coupons, Scroggie et al. discloses that the incentives are delivered to the customers, not stored in a database. Col. 13, lines 10-23. Thus, Scroggie et al. does not disclose a database for storing

the disclosed incentives in an account, let alone a database in a computer for storing geographic loyalty points in a loyalty account, as recited in claims 1 and 12.

For at least the foregoing reasons, Applicants submit that Scroggie et al. fails to disclose or suggest the invention recited in independent claims 1 and 12.

Applicants further submit that the Official Notice taken in the Office Action does not account for the deficiencies of Scroggie et al. Applicants read the Official Notice to be taken to the fact that it is known to have exchange rates and conversion rates such as between different types of currency. Such a fact, however, does not account for the features of the invention not found in Scroggie et al. that are described above. Further, to the extent that the Official Notice is intended to be directed to more than the mere idea of have exchange and conversion rates for currency, Applicants respectfully traverse the Official Notice, and request further clarification and evidence in support of the Official Notice. See MPEP § 2144.03.

Accordingly, Applicants submit that the Section 102 and 103 rejections in view of Scroggie et al. and the Official Notice should be withdrawn.

#### Double Patenting Rejection

The Office Action provisionally rejects claims 1-21 on the ground of nonstutory obviousness-type double patenting as being unpatentable over claims 1-21 of copending Application No. 10/708,568 (“the ‘568 Application”).

Applicants respectfully traverse the double patenting rejection and submit that the claims of the ‘568 Application and the present application are patentably distinct from each other. Each set of claims includes features that are not recited in the other set of claims. For example, the claims of the present application recite the determination of an amount of geographic area loyalty points based on geographic area and purchase data. The claims of the ‘568 Application do not

recite any features in the context of purchase data. On the other hand, the claims of the ‘568 Application recite the transfer of loyalty points from a first loyalty account to a second loyalty account, which is not recited in the present application. Thus, absent any further references or evidence, Applicants submit that it cannot be said that the claims of the two applications would have been obvious over each other to one of ordinary skill in the art. As such, Applicants submit that the double patenting rejection should be withdrawn. Nevertheless, Applicants also note that they would be willing to reconsider the possibility of filing a Terminal Disclaimer in order to even further overcome the double patenting rejection, should all the other issues in the application be deemed resolved subsequent to this Amendment.

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Applicants submit that the present application is in condition for allowance. Favorable reconsideration, withdrawal of the rejections set forth in the Office Action, and a Notice of Allowability are requested.

Applicants' undersigned attorney may be reached in our Washington, D.C. Office by telephone at (202) 530-1010. All correspondence should continue to be directed to our address listed below.

Respectfully submitted,

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